



**6712-01**

**FEDERAL COMMUNICATIONS COMMISSION**

**47 CFR Part 1**

**[DA 18-1272]**

**Annual Adjustment of Civil Monetary Penalties to Reflect Inflation**

**AGENCY:** Federal Communications Commission.

**ACTION:** Final rule.

**SUMMARY:** The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Inflation Adjustment Act) requires the Federal Communications Commission to amend its forfeiture penalty rules to reflect annual adjustments for inflation in order to improve their effectiveness and maintain their deterrent effect. The Inflation Adjustment Act provides that the new penalty levels shall apply to penalties assessed after the effective date of the increase, including when the penalties whose associated violation predate the increase.

**DATES:** The rule is effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER]. The civil monetary penalties are applicable beginning January 15, 2019.

**FOR FURTHER INFORMATION CONTACT:** Lisa S. Gelb, Deputy Chief, Enforcement Bureau, 202-418-2019.

**SUPPLEMENTARY INFORMATION:** This is a summary of the Commission's Order, DA 18-1272, adopted and released on December 19, 2018. The document is available for download at <https://www.fcc.gov/document/annual-adjustment-civil-monetary-penalties-reflect-inflation>. The complete text of this document is also available for inspection and copying during normal business hours in the FCC Reference Information Center, Portals II, 445 12th Street SW., Room CY-A257, Washington, DC 20554.

The Bipartisan Budget Act of 2015 included, as Section 701 thereto, the Inflation Adjustment Act, which amended the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410), to improve the effectiveness of civil monetary penalties and maintain their deterrent effect. Under the Inflation Adjustment Act, agencies are required to make annual inflationary adjustments by January 15 each year, beginning in 2017. The adjustments are calculated pursuant to Office of Management and Budget (OMB) guidance. OMB issued guidance on December 14, 2018, and this Order follows that guidance. The Commission therefore updates the civil monetary penalties for 2019, to reflect an annual inflation adjustment based on the percent change between each published October's CPI-U; in this case, October 2018 CPI-U (252.885) / October 2017 CPI-U (246.663) = 1.02522. The Commission multiplies 1.02522 by the most recent penalty amount and then rounds the result to the nearest dollar.

#### Paperwork Reduction Act

This document does not contain new or modified information collection requirements subject to the Paperwork Reduction Act of 1995 (PRA), Public Law 104-13. It does not contain any new or modified information collection burden for small business concerns with fewer than 25 employees, pursuant to the Small Business Paperwork Relief Act of 2002, Public Law 107-198, see 44 U.S.C. 3506(c)(4).

#### Congressional Review Act

The Commission will send a copy of this Order to Congress and the Government Accountability Office pursuant to the Congressional Review Act, *see* 5 U.S.C. 801(a)(1)(A).

List of Subjects in 47 CFR Part 1

Administrative practice and procedure, Penalties.

FEDERAL COMMUNICATIONS COMMISSION.

Lisa S. Gelb,  
Deputy Chief, Enforcement Bureau.

## Final Rules

For the reasons discussed in the preamble, the Federal Communications Commission amends 47 CFR part 1 as follows:

### **PART 1---PRACTICE AND PROCEDURE**

1. The authority citation for part 1 continues to read as follows:

Authority: 47 U.S.C. chs. 2, 5, 9, 13; Sec. 102(c), Div. P, Public Law 115-141, 132 Stat. 1084; 28 U.S.C. 2461, unless otherwise noted.

2. Section 1.80 is amended by revising the table in Section III of the note to paragraph (b)(8) and paragraph (b)(9)(ii) to read as follows:

#### **§ 1.80 Forfeiture proceedings.**

(b) \* \* \*

(8) \* \* \*

Note to paragraph (b)(8) \* \* \*

Section III \* \* \*

<b>Violation</b>	<b>Statutory amount</b>
	<b>After 2019 Annual Inflation Adjustment</b>
Sec. 202(c) Common Carrier Discrimination .....	\$12,081, \$604/day.
Sec. 203(e) Common Carrier Tariffs .....	\$12,081, \$604/day.
Sec. 205(b) Common Carrier Prescriptions .....	\$24,160.
Sec. 214(d) Common Carrier Line Extensions .....	\$2,415/day.
Sec. 219(b) Common Carrier Reports .....	\$2,415/day
Sec. 220(d) Common Carrier Records & Accounts	\$12,081/day.
Sec. 223(b) Dial-a-Porn .....	\$125,190/day.
Sec. 227(e) Caller Identification .....	\$11,562/violation,

	\$34,686/day for each day of continuing violation, up to \$1,156,242 for any single act or failure to act.
Sec. 364(a) Forfeitures (Ships) .....	\$10,067/day (owner).
Sec. 364(b) Forfeitures (Ships) .....	\$2,014 (vessel master).
Sec. 386(a) Forfeitures (Ships) .....	\$10,067/day (owner)
Sec. 386(b) Forfeitures (Ships) .....	\$2,014 (vessel master)
Sec. 634 Cable EEO .....	\$892/day

(9) \* \* \*

(ii) The application of the annual inflation adjustment required by the foregoing Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 results in the following adjusted statutory maximum forfeitures authorized by the Communications Act:

<b>U.S. Code citation</b>	<b>Maximum Penalty after 2019 Annual Inflation Adjustment</b>
47 U.S.C. 202(c) .....	\$12,081
	\$604
47 U.S.C. 203(e) .....	\$12,081
	\$604
47 U.S.C. 205(b) .....	\$24,160
47 U.S.C. 214(d) .....	\$2,415
47 U.S.C. 219(b) .....	\$2,415
47 U.S.C. 220(d) .....	\$12,081

47 U.S.C. 223(b) .....	\$125,190
47 U.S.C. 227(e) .....	\$11,562
	\$34,686
	\$1,156,242
47 U.S.C. 362(a) .....	\$10,067
47 U.S.C. 362(b) .....	\$2,014
47 U.S.C. 386(a) .....	\$10,067
47 U.S.C. 386(b) .....	\$2,014
47 U.S.C. 503(b)(2)(A) .....	\$50,334
	\$503,349
47 U.S.C. 503(b)(2)(B) .....	\$201,340
	\$2,013,399
47 U.S.C. 503(b)(2)(C) .....	\$407,270
	\$3,759,410
47 U.S.C. 503(b)(2)(D) .....	\$20,134
	\$151,005
47 U.S.C. 503(b)(2)(F) .....	\$115,624
	\$1,156,242
47 U.S.C. 507(a) .....	\$1,994
47 U.S.C. 507(b) .....	\$292
47 U.S.C. 554 .....	\$892

\* \* \* \* \*

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